

DATE IN 3/9/00	SUSPENSE 3/29/00	ENGINEER DC	LOGGED MN	TYPE DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2697

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Directional Drilling

NSL NSP DD SD

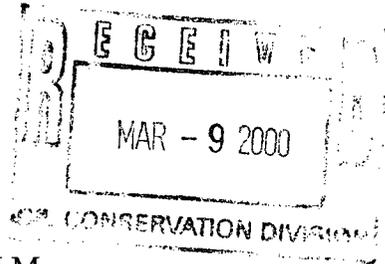
Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

WFX PMX SWD IPI EOR PPR



[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

[C] Application is One Which Requires Published Legal Notice

[D] Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Print or Type Name

Signature

Title

Date

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
Revised August 1999

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Conoco Inc. P.O. Box 2197 Houston, TX 77252-2197

Operator	Address		
San Juan 28-7	34	H, Sec.1, T27N, R7W	Rio Arriba
Lease	Well No.	Unit Ltr. - Sec - Twp - Rge	County
OGRID NO. 005073	Property Code 016608	API NO. 30-039-07192	Spacing Unit Lease Types: (check 1 or more) <input checked="" type="checkbox"/> Federal <input type="checkbox"/> State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Fruitland Coal 71629	Blanco Mesaverde 72319	Blanco P.C. South 72439
2. Top and Bottom of Pay Section (Perforations)	Proposed Perfs: 2657' - 2780'	4460' - 5054'	Proposed Perfs: 2795' - 2956'
3. Type of production (Oil or Gas)	Gas Expected	Gas	Gas Expected
4. Method of Production (Flowing or Artificial Lift)	Expected to flow	Flowing	Expected to flow
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 432psi	a. 540 psi	a. 360 psi
	b. (Original) 1,167psi	b. 1,241psi	b. 1,119psi
6. Oil Gravity (EAPI) or Gas BTU Content	1,045	1,250	1,189
7. Producing or Shut-In?	To be completed	Producing	To be completed
Production Marginal? (yes or no) * If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Yes	Yes	yes
	Date: Rates: est. 150 MCFD	Date: Rates:	Date: Rates: est. 150 MCFD
	Date: Rates:	Date: Rates: current rate: 45 MCFD	Date: Rates:
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: Allocate FC/PC by production test Gas:	Oil: Subtraction method allocate to MV Gas:	Oil: Allocate FC/PC by production test Gas:

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? Yes No
13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____
16. ATTACHMENTS:
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
* Production curve for each zone for at least one year. (If not available, attach explanation.)
* For zones with no production history, estimated production rates and supporting data.
* Data to support allocation method or formula.
* Notification list of working, overriding, and royalty interests for uncommon interest cases.
* Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Deborah Moore TITLE Regulatory Analyst DATE 2/25/00

TYPE OR PRINT NAME Deborah Moore TELEPHONE NO. (281) 293-1005

District I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

District II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-07192		² Pool Code 71629/72319/72439		³ Pool Name Fruitland Coal, Blanco Mesaverde, Pictured Cliff S.	
⁴ Property Code 016608	⁵ Property Name San Juan 28-7			⁶ Well Number 34	
⁷ OGRID No. 005073	⁸ Operator Name Conoco Inc.			⁹ Elevation 6135	

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	1	27N	7W		1650	north	990	east	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

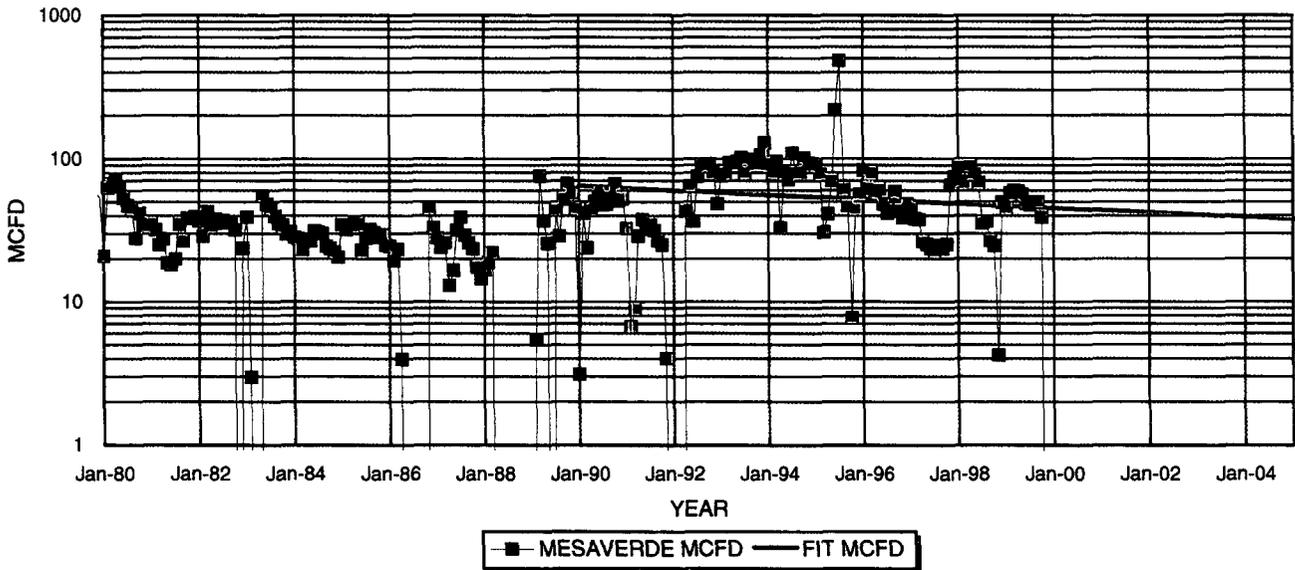
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320/160/80	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p>	
				<p>Signature <i>Deborah Moore</i></p> <p>Regulatory Analyst</p> <p>Title</p> <p>Date 02/25/00</p>	
<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p>			<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p>		
			<p>Certificate Number</p>		

**SJ 28-7 #34 MESAVERDE PRODUCTION
SECTION 1H-27N-07W, RIO ARRIBA COUNTY, NEW MEXICO**

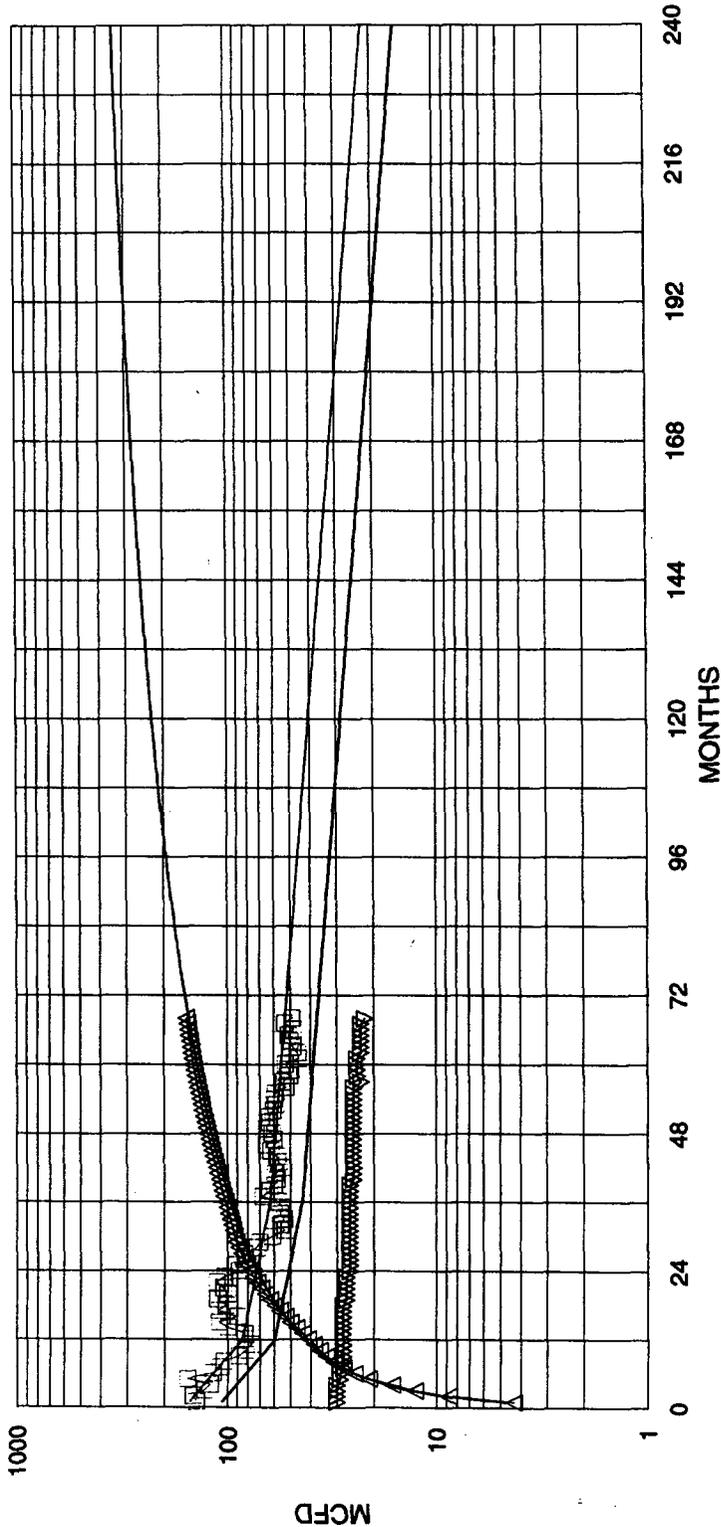


MESAVERDE PRODUCTION		1ST PROD: 12/55		MESAVERDE PROJECTED DATA		
OIL CUM:	2.84	MBO		Jan.00 Qi:	46	MCFD
GAS CUM:	1228.7	MMCF		DECLINE RATE:	3.5%	(EXPONENTIAL)
OIL YIELD:	0.0023	BBL/MCF		API #30-039-07192		

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

YEAR	MID-YEAR AVG. MCFD	MID-YEAR AVG. BOPD
2000	45	0
2001	43	0
2002	42	0
2003	40	0
2004	39	0
2005	37	0
2006	36	0
2007	35	0
2008	34	0
2009	32	0
2010	31	0
2011	30	0
2012	29	0
2013	28	0
2014	27	0
2015	26	0
2016	25	0
2017	24	0
2018	24	0
2019	23	0
2020	22	0
2021	21	0
2022	20	0
2023	20	0
2024	19	0
2025	18	0
2026	18	0
2027	17	0

NORMALIZED FRUITLAND COAL PRODUCTION
 30 WELLS SINCE 1990; 28N-7W & 27N-7W

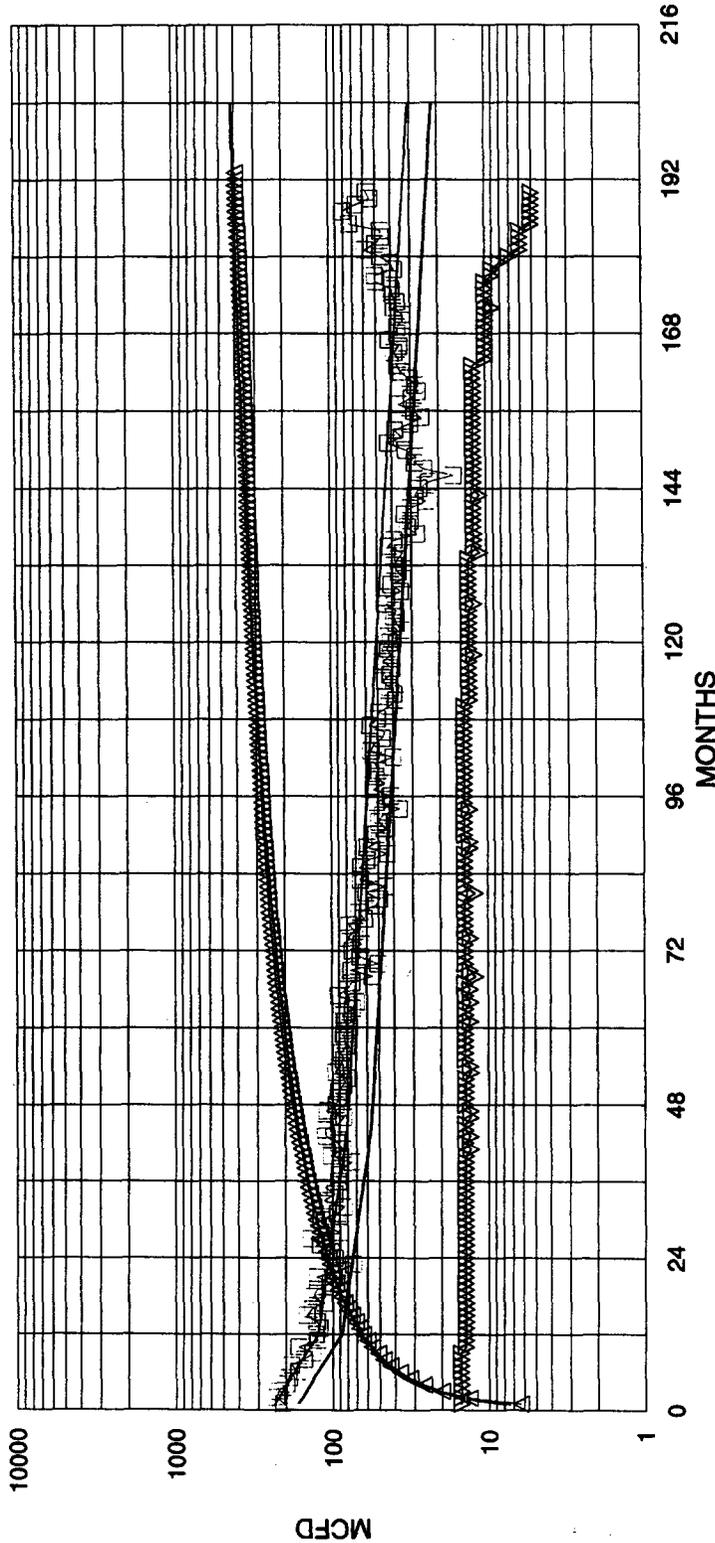


— FIT MCFD □ NORMALIZED MCFD ▲ NORM CUM MMCF
 - - - WELLS ON PRODUCTION — FIT CUM MMCF — RISKED MCFD

Normalized plot for supporting SJ 28-7 FC recompletions

<p>NORMALIZED AVG: 408 MMCF EUR 337 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield</p>	<p>RISKED AVG: 30% RISK 268 MMCF EUR 237 MMCF IN 20 YRS 10 MCFD E.L. 0.0000 bbl/mcf oil yield</p>	<p>112 MCFD IP 47% DECLINE, 1ST 12 MONTHS 14% DECLINE, NEXT 24 MONTHS 6% FINAL DECLINE</p>
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**NORMALIZED PICTURED CLIFFS PRODUCTION
 PROD. SINCE 1980; 15 PC WELLS LOCATED IN 28N-7W AND 27N-7W (Secs. 1:12)**



— FIT MCFD □ NORMALIZED MCFD ▽ NORM CUM MMCF
 ▴ WELLS ON PRODUCTION — FIT CUM MMCF — RISKED MCFD

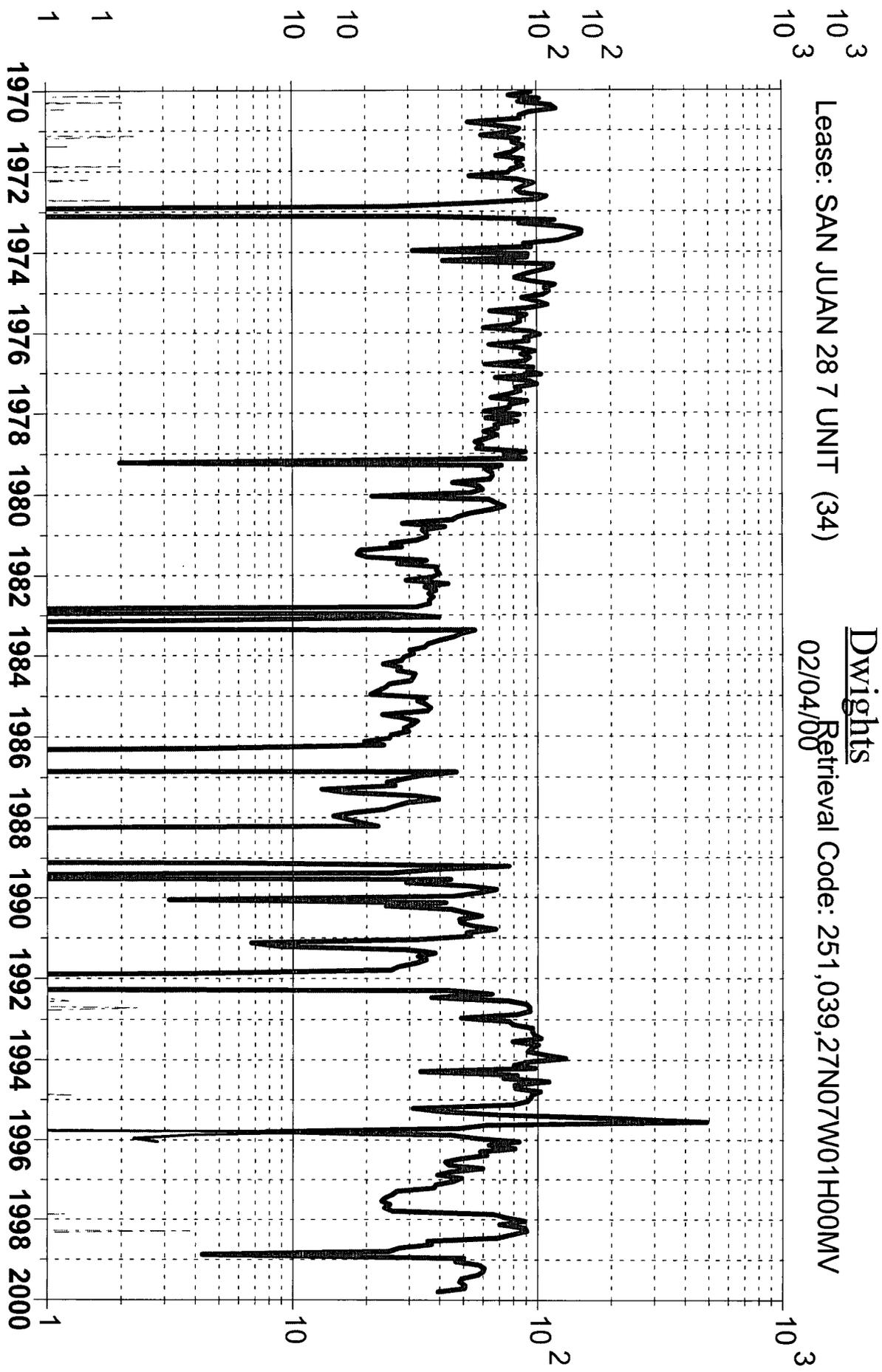
Normalized plot for supporting SJ 28-7 PC recompletions

<p>NORMALIZED AVG: 522 MMCF EUR 524 MMCF/33.5YRS 10 MCFD E.L. 0.000158 bbl/mcf oil yield</p>	<p>RISKED AVG: 350 MMCF EUR 349 MMCF/27.8 YRS 10 MCFD E.L. 0.000158 bbl/mcf oil yield</p>	<p>30% RISK 175 MCFD IP 50% DECLINE, 1ST 12 MONTHS 15% DECLINE, NEXT 36 MONTHS 7% FINAL DECLINE</p>
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Lease: SAN JUAN 28 7 UNIT (34)

Dwights
02/04/00

Retrieval Code: 251,039,27N07W01H00MV



Gas (mcf/day)
Oil (bbl/day)

Operator: CONOCO INC

Location: 1H 27N 7W

Upper Perf: 4460 ft

Lower Perf: 5054 ft

F.P. Date: 12/55

Oil Cum: 2838 bbl

Gas Cum: 1229 mmcf

Reservoir: MESAVERDE

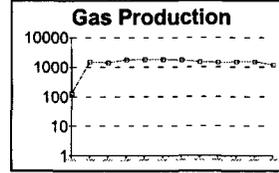
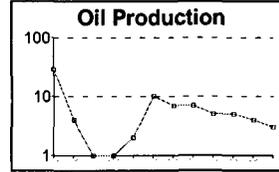
Water (bbl/day)

Lease: SAN JUAN 28 7 UNIT
 Field: BLANCO (MESAVERDE) MV
 Operator: CONOCO INC
 RCI #: 251,039,27N07W01H00MV
 API #: 30-039-07192-00

Well #: 34
 Location: 1H 27N 7W
 Liquid Cum: 2,838 bbls
 Gas Cum: 1,228,723 mcf
 Status: ACT GAS

FP Date: 55-12
 LP Date: 99-10
 Liq Since: FPDATE
 Gas Since: FPDATE

DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
11/1998	29	129	0	1
12/1998	4	1,517	0	1
01/1999	1	1,401	0	1
02/1999	0	1,759	0	1
03/1999	2	1,834	0	1
04/1999	10	1,813	0	1
05/1999	7	1,730	0	1
06/1999	7	1,487	0	1
07/1999	5	1,456	0	1
08/1999	5	1,532	0	1
09/1999	4	1,528	0	1
10/1999	3	1,190	0	1
Total	77	17,376	0	



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

SF 079321A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

San Juan 28-7 #34

9. API Well No.

30-039-07192

10. Field and Pool, or Exploratory Area

71629 / 72319 / 72439

11. County or Parish, State

RIO ARRIBA, NM

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

CONOCO, INC.

3. Address and Telephone No.

P.O. Box 2197 DU 3066 Houston, TX 77252-2197 (281) 293-1005

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

H, Sec. 1, T27N, R7W
1650' FNL & 990' FEL

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

- Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other _____
- Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Conoco proposes to recomplete this well in the Fruitland Coal and Pictured Cliffs using the attached procedures.

14. I hereby certify that the foregoing is true and correct

Signed *Deborah Moore*

Title Regulatory Analyst

Date 2/25/00

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____ Date _____

San Juan 28-7 Unit, Well #34
Recomplete to Fruitland Coal & Pictured Cliffs,
& DHC with Mesaverde,
December 7, 1999

AFE # **API#** 300390719200 **Location:** T-27N, R-7W, Sec-1, Unit Letter H, 1650'N, 990'E.

Procedure

- 1) Move in workover rig, hold safety meeting, note prevailing wind direction at location, designate muster point, review procedure, identify potential hazards, isolate lines and facilities, blow down lines, lock out tag out, spot equipment, rig up, **WORK SAFELY!**
- 2) Kill tubing with minimum amount of 1% KCl, pull up and rotate 8 - 10 turns to right to release Baker Lokset packer @ 4305', POOH 2.375" tubing standing back.
- 3) Rig up wireline, set EZ drill BP in 5.5" casing @ 2900' Fill hole w/ fluid. . Pressure test casing /plug to 3000#.
- 4) Perforate the Pictured Cliffs formation.
 Pictured Cliffs (PC): 2795' - 2810', 2818' - 2830', 2833' - 2856', (50' of pay, 4SPF, 200 holes total).
- 5) Break down with acid (bullhead) and stimulate as per stimulation company procedure. NOTE: Have flowback choke manifold hooked up to wellhead, for immediate flowback.
- 6) Flow back energized fluids immediately, send frac crew home and flow back clean up over night, if well dies RIH tubing unload and obtain 4 hour stabilized test.
- 7) Rig up wireline set composite BP over PC @ 2790". Pressure test plug to 3000#. **Note:** Top PC perf @ 2795' and bottom FC perf to be @ 2780'.
- 8) Rig up wireline and perforate the Fruitland Coal formation.
 Fruitland Coal (FC): 2657'- 2672', 2684'- 2696', 2747'- 2760', 2766'- 2780', (54' of pay, 3 SPF, 212 holes total).
- 9) Break down with acid and stimulate as per stimulation company procedure.
- 10) Flow back energized fluid immediately, RIH tubing string and obtain stabilized 4 hour test.
- 11) POOH tubing, RIH w/ bit and drill collars.
- 12) Drill out BPs over PC and MV and clean out to PBTD (5101'). POOH bit and collars.
- 13) RIH mule shoe and SN on 2.375" and land tubing @ 5054' + or - a joint, notify operator to put on DHC plunger lifted production.

San Juan East Team (DRW)

Cc: Central Records, and 3 Copies to Farmington (Linda Hernandez, FPS, and Project Lead).